

DIVISION OF HEALTH CARE FINANCE AND POLICY
Adult Foster Care and Group Adult Foster Care Cost Reports
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The Division of Health Care Finance and Policy will use the Adult Foster Care /Group Adult Foster Care Cost Report to establish rates for adult foster care and group adult foster care providers. Once filed with the Division, these reports become public documents and will be provided upon request to any interested party.

What to File

At this time, Mass Health is requesting that all providers send an adult foster care cost report for the last complete fiscal year ended (FY07). Providers will complete the Excel worksheets and send them directly to the Division, who will be responsible for the processing of cost reports. Questions regarding the cost report will be directed to the Division to Carla Villacorta at Carla.Villacorta@state.ma.us or by calling 617-988-3205. If an agency does not have the ability to send an electronic version of the cost report via email, a disk can be sent to the Division at the address listed above. The Division strongly encourages you to file your cost report via email, as this results in a more efficient, timely and accurate submission.

Agencies must submit copies of financial statements and other external documentation supporting the accuracy of the data reported on the cost report. The reporting period should be consistent with financial statements and reconciliation of any differences between the financial statements and the report must be done. This may be filed as a separate excel spreadsheet attached to the cost report.

Acceptable documentation includes (in descending order of preference):

1. Audited, reviewed, or compiled financial statements prepared by a Certified Public Accountant
2. Copies of tax returns filed with the Internal Revenue Service for the reporting year;
3. A certification from a Certified Public Accountant attesting to the accuracy and validity of the data reported on the cost report. The CPA must not be a related party to the principal owners or partners of the agency.

Only one of the above options is necessary.

Upon review of the cost report, the Division may determine that additional information is required from the agency. Such additional documentation will be considered a component of the cost report subject to the same certification delivered with the initial filing data.

Who Must File

At this time, providers of adult foster care that participate in the respective Mass Health programs must file. The term "agency" will be used throughout these instructions to refer to all filers noted above. Agencies must report using the accrual basis of accounting.

Multiple site agencies:

Providers that have more than one facility must list all their sites on the heading section of the cost report and designate the type of care being given at each as "AFC" or "GAFC" or in the case of a dual provider, "AFC & GAFC". (Please see section "All Schedules – Heading".)

Each site must file a separate report.

When to File

- **AFC providers** must send a properly completed AFC Cost Report via email by December 1, 2008.
- **GAFC providers** must send a properly completed AFC Cost Report via email by **March 16th, 2009**.
- Dual providers of GAFC and AFC must submit an Adult Foster Care cost report and a Group Adult Foster Care cost report by **December 1, 2008**. If you will not meet the deadline, please contact Peg O'Brien at peg.obrien@state.ma.us or 617 988-3150.

Providers will report for 2007 state fiscal year. We appreciate your promptness as your data is a key component for on-going budget analysis for the AFC and GAFC programs. A one time extension will be granted for providers with valid reasons. Send email request to Peg.O'Brien@state.ma.us

How to Submit Cost Report

Send an E-mail to DCHFP at the following e-mail address: hcf.data@state.ma.us, and attach your Excel file to the email. In the subject line enter: "AFC (and/or GAFC) Cost Report from your provider name". If e-mail is not available to you, please copy the submission file to a diskette or CD and mail it with the required hard copy data to the address below. Please mail all required hard copy documents (e.g. audited financial statements, tax returns etc.) to:

Division of Health Care Finance and Policy
c/o Intake for AFC/GAFC Cost Reports
Two Boylston Street, 4th Floor
Boston, MA 02116

General Instructions

1. Please read all instructions carefully before preparing the report.
2. All entries must be computer-generated using Microsoft Excel.
3. Enter the agency's legal name, Federal Employer Identification Number (FEIN), and date of fiscal year end for 2007.

4. The basic financial statements must be completed in accordance with generally accepted accounting principles (GAAP), including the accrual basis (not cash basis) of accounting. Supplemental schedules must also be completed in accordance with (GAAP). The supplemental information and the manner of its presentation in the organization's supplemental schedules must be consistent with the information or the manner of its presentation appearing in cost report.
5. The preparer should complete only those schedules, columns and line items that are applicable. Please write "0" if a schedule, column or line is not applicable to the agency.
6. All amounts should be shown in WHOLE dollars, rounded to the nearest dollar.
7. All subtotals and totals will be calculated automatically in the spreadsheet. Please be sure to double check the numbers entered and verify that the subtotals and totals are correct.
8. Brackets, (), indicate negative amounts or subtraction.
9. All attachments should be clearly marked to indicate the schedule, column and line item to which they refer.
10. Whenever the term "OTHER" is used, the preparer should list separately, in the space provided or in an attachment, the amount and brief description of all items which are material in relation to the financial statement.
11. Retain a copy of the completed form for your files.
12. Questions regarding the cost report will be directed to Carla Villacorta at Carla.Villacorta@state.ma.us or by calling 617-988-3205.

All Schedules - Heading

The heading captures basic identifying information about the agency, such as: federal tax ID, business address, contact information and names of all facilities (see below).

- Agency & Phone Enter the name of the business as it appears in the Articles of Organization or IRS form 941/941E and the main phone number. If this business has several locations include those locations names in the section labeled "Facility Name & Phone".
- Federal Employer Identification Number (FEIN) FEIN for business.
- Business Address The main address for the business.
- Contact Person, Title & Phone The name of the officer responsible for filing financial statements, their title (for eg. Chief Executive Officer or Chief Financial Officer) and their phone number.
- E-mail Address The e-mail address for the contact person or the email used by the administrative office for business and accounting activities.
- Facility Name & Phone The names of all the facilities run by the agency. When only one facility exists, the agency name and the facility may be the same. Please indicate what type of care (AFC or GAFC or AFC & GAFC) each facility provides in the space next to the facility name.

- Annual Report From. In the space provided, enter the closing date of the agency's fiscal year for which this Report is prepared. We strongly encourage you to use the state's fiscal year, which is July 1st to June 30th. Although we prefer to use state fiscal year end data, we will accept federal fiscal year and calendar year data.

Schedule A – Revenue

In Schedule A include revenue from all client types: private pay, Mass Health and other. Whenever possible, we prefer you to report actual numbers. For providers who are not able to provide actual numbers:

- **Take total revenue & estimate percent Mass Health**
- **Consider all MH revenue – include revenue from per diem ADL services, room & board, any other services Mass Health clients pay for (line items 10A, 21A and 22A)**
- **Use Mass Health percent of total revenue to estimate line items**

Line 1A) Contributions, Gifts, Bequests These are all fund-raising revenues. Fund-raising revenues may be assigned, net of expenses, to programs to defray reimbursable and non-reimbursable costs.

Line 2A) Private/ In-Kind Non-governmental, in-kind Contributions

Line 3A) Total Contribution and In Kind Total of lines 1A + 2A.

Line 4A) Mass Government Grant Award of funds from a Commonwealth governmental agency to support or subsidize a particular project, program or the general charitable purposes and activities of the agency.

Line 5A) Other grant (excluding federal direct) Award of funds from all other entities except grants received directly from the federal government.

Line 6A) Total Grants sum of lines 4A + 5A.

Line 7A) Commercial/ Private 3rd Parties Third-party payments not directly received from the Commonwealth client (ex., insurance payments) that were made on behalf of service recipients not publicly sponsored by any state, city, town, or other governmental entity

Line 8A) Government Programs- PACE /SCO Revenue from government programs PACE and SCO. Please note that since social security payments are paid directly to the client, social security would be considered a payment made to the provider from the patient. If the patient is private pay it would fall under line item 9A and if the patient had Mass Health assistance it would fall under 22A GAFC client payments.

Line 9A) Private Client Payments All revenue received from private pay clients; includes all room & board and activities.

Line 10A) AFC Mass Health Payments Revenue received from Mass Health AFC clients for per diem services only. Includes Mass Health fee for service, PCC plan

Line 11A) GAFC Medicaid Direct Payments Revenue received from Mass Health GAFC clients for per diem services only. Includes Mass Health fee for service, PCC plan

Line 12A) Mass Health MCO

Line 13A) Medicare

Line 14A) Department of Mental Health

Line 15A) Department of Mental Retardation

Line 16A) Department of Public Health

Line 17A) Department of Social Services

Line 18A) Department of Transitional Assistance

Line 19A) Department of Youth Services

Line 20A) Total Assistance and Fees Sum of lines 7A-18A.

Line 21A) GAFC Room & Board / SSIG Rent revenue received from Mass Health clients. This revenue is separated from Mass Health revenue received for per diem ADL services. Includes SSIG.

Line 22A) GAFC Client Payments Any revenue received from a Mass Health client other than room and board or per diem ADL services.

Line 23A) Other Revenue Revenue not falling under any other revenue accounts definition. A space is provided for written explanation.

Line 24A) Total Revenue Sum of lines 3A+6A+20A + 21A +22A+23A.

Schedule B: Staffing Expenses

Reported expenses in Schedule B are limited only to expenses related to the Mass Health program (AFC or GAFC). Whenever possible, we prefer you to report actual numbers. For providers who are not able to provide actual numbers:

- **Take total revenue & estimate percent Mass Health**
- **Consider all MH revenue – include revenue from per diem ADL services, room & board, any other services Mass Health clients pay for (line items 10A, 21A and 22A)**
- **Use Mass Health percent of total revenue to estimate line items**

Assigning full time equivalents (FTE) for positions:

FTEs are a method of measuring the amount of time that a part-time employee works in terms of a full-time equivalent holding a comparable job. If 40 hours a week defines a full week then 40 hours of combined part-time work for a given position is 1.00 FTE and 20 hours is 0.5 FTE. The full-time work week for any given position should never total to more than 1.00 FTE even if employees consistently work more hours a week than the defined work week (overtime).

FTEs should be reported in annual terms so that a full-time person hired at midyear would be recorded as 0.5 FTE. Of course, one may have a person working less than 1.00 FTE on an annual basis. If an employee's work crosses two or more job categories within one program/cost center (i.e., supervision and direct care), reported FTE time should be split accordingly. In either case, FTEs and wages must reconcile so that an employee reported as working 0.65 FTE (26 hours) shows a salary of sixty-five percent (65%) of a full-time annual salary.

Example 1: A part-time care manager non-master's (20 hours/wk in a 40 hr wk)

A full time workweek is equivalent to 1.00 FTE

	Staffing Expenses	Yearly Salary	FTE	Total Salary
	Direct Staff:			
18B	Care Manager (non-master's)	\$35,000	0.50	\$17,500

Example 2: A nurse who also works 10 hours as a program director

A full time workweek is equivalent to 1.00 FTE

	Staffing Expenses	Yearly Salary	FTE	Total Salary
	Indirect Staff:			
1B	Program Director	\$70,000	0.25	\$17,500
	Direct Staff:			
15B	Registered Nurse	\$70,000	0.75	\$52,500

Indirect Staff:

Line 1B) Program Director An individual who has overall responsibility for the daily operation of the AFC and/or GAFC program.

Line 2B) Assistant Program Director An individual, who reports directly to the Program Director, acts for the Program Director in his/her absence and functions as an advisor/assistant to the Program Director.

Line 3B) Business Manager An individual who is in charge of carrying out all administrative components of managing the program.

Line 4B) Secretary Program secretarial staff that carries on direct program clerical activities such as program or client record keeping. (Could also be in charge of Mass Health billing activities)

Line 5B) Maintenance Program maintenance and grounds keepers.

Line 6B) Housekeeping Program housekeeping and janitorial staff who maintain the administrative office of the AFC or GAFC agency.

Line 7B) Dietary personnel Staff preparing and serving meals for clients. Do not include food expense here. Food expense should be reported in Schedule C, line item 15C.

Line 8B) Activities personnel Staff in charge of preparing recreational activities for clients such as: music, art, horticultural, arts & crafts.

Line 9B-15B) Other Indirect Other indirect staff that were not listed on this schedule.

Line 16B) Indirect Staff Totals Sum of lines 1B-15B.

Direct Staff:

Function vs. title - assigning direct staff

Direct care/program staff components are determined by their program function. For example, a licensed physician should be classified as a "Physician" only if the physician provides medical care as outlined in the component definition. If a physician performs the functions of a "Program Director", then that component should be used.

Line 17B) Registered Nurse The nurse is responsible for the initial clinical assessment and on-going evaluation of a member's progress in the AFC or GAFC program. Must be a registered nurse and licensed by the MA Board of Registration in Nursing. This person can also function as a program director.

Line 18B) Licensed Practical Nurse Administers nursing services and oversight under the supervision of the registered nurse. Participates in the implementation of the member's plan of care. Must be a licensed practical nurse and licensed by the MA Board of Registration in Nursing. This person cannot function as a program director. Please note that if you have any CNA staff you must place them as other direct and write in "CNA" in the description area.

Line 19B) Care Manager (master's) The care manager is responsible for the psychosocial and counseling assistance for the AFC or GAFC program. The care manager must have a master's degree and social worker license from the MA Board of Registration in Social Work. This person can also function as a program director.

Line 20B) Care Manager (non-masters) The care manager is responsible for the psychosocial and counseling assistance for the AFC or GAFC program. The care manager must have a baccalaureate degree and social worker license from the MA Board of Registration in Social Work or a bachelor's degree and two years clinical experience in the care of elderly or disabled persons.

Line 21B) Caregiver Level 1 (AFC) : Individual(s) responsible for providing direct care and supervision on a regular basis for members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.417. This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC Member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s), should be reported on Lines 23B-24B – see Alternate Caregivers.

Since caregivers are paid per diem, please estimate the "yearly salary" amount. You can work from right to left by providing the total amount paid and dividing that by the total amount of FTEs to arrive at an average amount for salary.

This expense is related to individuals not considered to be independent contractors or employees of the agency that would be entitled to receive overtime payments for furnishing temporary direct care on a relief basis (giving direct care temporarily in the place of regular caregiver). Please note that under IRS rules, income does not include “amounts received by a foster care provider during the taxable year as qualified foster care payments” and therefore stipends from a foster care program of a state or qualified placement agency are not taxable.

Line 22B) Caregiver Level 2 (AFC): Individual(s) responsible for providing direct care and supervision on a regular basis for members who meet the level 2 clinical eligibility requirements described in 408.417(B)(1) through (6). This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC Member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s), should be reported on Lines 23B-24B – see Alternate Caregivers.

Since caregivers are paid per diem, please estimate the “yearly salary” amount. You can work from right to left by providing the total amount paid and dividing that by the total amount of FTEs to arrive at an average amount for salary.

This expense is related to individuals not considered to be independent contractors or employees of the agency that would be entitled to receive overtime payments for furnishing temporary direct care on a relief basis (giving direct care temporarily in the place of regular caregiver). Please note that under IRS rules, income does not include “amounts received by a foster care provider during the taxable year as qualified foster care payments” and therefore stipends from a foster care program of a state or qualified placement agency are not taxable.

Line 23B) Alternate Caregiver Level 1 (AFC): Temporary caregivers providing direct care for level 1 members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.417. Alternate caregivers do not regularly reside with the AFC Member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternative caregiver expense includes expenses incurred as a result of an ‘alternative placement’ where the Member is placed in an alternative placement to receive temporary care from an alternative caregiver.

Since alternate caregivers are paid per diem, please estimate the “yearly salary” amount. You can work from right to left by providing the total amount paid and dividing that by the total amount of FTEs to arrive at an average amount for salary.

This expense is related to individuals not considered to be independent contractors or employees of the agency that would be entitled to receive overtime payments for furnishing temporary direct care on a relief basis (giving direct care temporarily in the place of regular caregiver). Please note that under IRS rules, income does not include “amounts received by a foster care provider during the taxable year as qualified foster care payments” and therefore stipends from a foster care program of a state or qualified placement agency are not taxable.

Line 24B) Alternate Caregiver Level 2 (AFC): Temporary caregivers providing direct care for level 2 members who meet clinical eligibility requirements described in 408.417(B)(1) through (6). Alternate caregivers do not regularly reside with the AFC Member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternative caregiver expense includes expenses incurred as a result of an ‘alternative placement’ where the Member is placed in an alternative placement to receive temporary care from an alternative caregiver.

Since alternate caregivers are paid per diem, please estimate the “yearly salary” amount. You can work from right to left by providing the total amount paid and dividing that by the total amount of FTEs to arrive at an average amount for salary.

This expense is related to individuals not considered to be independent contractors or employees of the agency that would be entitled to receive overtime payments for furnishing temporary direct care on a relief basis (giving direct care temporarily in the place of regular caregiver). Please note that under IRS rules, income does not include “amounts received by a foster care provider during the taxable year as qualified foster care payments” and therefore stipends from a foster care program of a state or qualified placement agency are not taxable

Line 25B) Direct Care Aide (GAFC) Individual(s) responsible for providing direct care on a regular basis for members who meet clinical eligibility requirements described in the GAFC Guidelines. This expense is used for Direct Care Aides who are qualified individuals who provide direct care to Members as outlined in the GAFC Guidelines.

Since direct care aides are paid per diem, please estimate the “yearly salary” amount. You can work from right to left by providing the total amount paid and dividing that by the total amount of FTEs to arrive at an average amount for salary.

Line 26B) Subcontractor Individuals possessing specialized skills or expertise in client care and treatment, engaged on a "specialist" basis for a specific period of time to provide client care or treatment. May include temporary staff. Please list all titles and breakdown cost for each. (Ex. Subcontractor: nurse)

Line 27B-33B) Other direct Other direct staff that were not listed on this schedule.

Line 34B) Direct Staff Totals Sum of lines 17B-33B.

Line 35B) Total Indirect & Direct Staff Sum of lines 16B + 34B.

Line 36B) Notes Please include any detail relevant to the aforementioned expenses here.

Client Data:

Line 37B) Total Level 1 Clients this Fiscal Year The total number of clients given level 1 of care for this AFC program during the fiscal year reported.

Line 38B) Total Level 2 Clients this Fiscal Year The total number of clients given level 2 of care for this AFC program during the fiscal year reported.

Line 39B) Total All Clients this Fiscal Year (GAFC) The total number of clients that received group adult foster care during this fiscal year. This includes all clients at this facility; Mass Health and other type of clients.

Line 40B) Total Clients GAFC Mass Health Only The total number of Mass Health clients that received group adult foster care during this fiscal year. This does not include all clients.

Line 41B) Days of Mass Health Service Level 1 (AFC) The number of days that services were provided to Level 1 clients during the fiscal year reported.

Line 42B) Days of Mass Health Service Level 2 (AFC) The number of days that services were provided to Level 2 clients during the fiscal year reported.

Line 43B) Days of Mass Health Service All Clients (GAFC) The number of days that all clients received group adult foster care during the fiscal year. This includes all client types.

Line 44B) Days of Mass Health Service Mass Health Clients Only (GAFC) The number of days that Mass Health clients received group adult foster care services during the fiscal year.

Line 45B) Total Number Caregivers Fiscal Year (AFC) The total number of caregivers during the fiscal year reported.

Line 46B) Total Number Direct Care Aides Fiscal Year (GAFC) The total number of direct care aides serving the facility.

Line 47B) Total Number Mass Health Direct Care Aides(GAFC) The total number of direct care aides that worked with Mass Health clients during the fiscal year.

Schedule C Non-Staffing Expenses

Reported expenses in Schedule C are limited only to expenses related to the Mass Health program (AFC or GAFC). Whenever possible, we prefer you to report actual numbers. For providers who are not able to provide actual numbers:

- **Take total revenue & estimate percent Mass Health**
- **Consider all MH revenue – include revenue from per diem ADL services, room & board, any other services Mass Health clients pay for (line items 10A, 21A and 22A)**
- **Use Mass Health percent of total revenue to estimate line items**

Line 1C) Staff training Formal instruction to meet professional continuing education requirements, to satisfy program licensure requirements or to enable direct care staff to acquire and maintain acceptable levels of knowledge, skill and proficiency for the routine performance of their assigned functions. (Note that the staff time devoted to training should be included in the calculation of required direct care staff FTEs.)

Line 2C) Staff mileage/travel Direct care staff travel within the normal scope of the staff members' assigned duties. This category includes use of a staff member's own vehicle, as well as public transportation

Line 3C) Program supplies & materials Program residential, educational, vocational and recreational supplies and materials and expendable items of equipment and furnishings that are not required to be capitalized and are routinely needed for ongoing direct client care or program service delivery.

Line 4C) Legal All fees paid by the organization for the legal services of an attorney (does not include lobbying). If you have someone serving in this function on your permanent staff please report their salary under schedule B indirect staffing under “other indirect”. Include description “ Legal Staff” for the line item.

Line 5C) Accounting Fees paid for accounting services. If you have someone serving in this function on your permanent staff please report their salary under schedule B indirect staffing under “other indirect”. Include description “ Staff Accountant” for the line item.

Line 6C) Marketing & Outreach Fees paid for marketing and delivery of commercial products and services. If you have someone serving in this function on your permanent staff please report their salary under schedule B indirect staffing under “other indirect”. Include description “ Marketing Staff” for the line item.

Line 7C) Office & equipment expenses Office supplies and materials and expendable items of equipment and furnishings that are not routinely needed for ongoing direct client.

Line 8C) Movable equipment depreciation Depreciation expense associated with program equipment and furnishings. Movable equipment may include: furniture, office equipment and motor vehicles.

Line 9C) Other Taxes Taxes other than those associated with payroll. Other taxes may include property tax, excise tax (including real estate tax), and sales tax

Line 10C) Insurance Property & malpractice insurance. Other insurance such as life, health, pension & annuity plan contributions should be included under Fringe Benefits in schedule B.

Line 11C) Rent

Line 12C) Utilities

Line 13C) Interest

Line14C) Fixed equipment depreciation Depreciation expense associated with building and lease improvements.

Line 15C) Dietary expenses Food related expense for Mass Health clients. Any staffing expense should be reported in Schedule B.

Line16C) Other administrative expenses: explain below Identify type of miscellaneous expense here and give description. For example, plant and housekeeping may be included here.

Line 17C) Vehicle expenses Any expense with the exception of depreciation that is associated with the purchase, operation and maintenance of vehicles owned and leased by the organization for the transport of clients and to fulfill program needs rather than for administrative purposes.

Line 18C) Total non-staffing expenses Sum of lines 1C-16C.

Line 19C) Other administrative expenses consist of: Description of miscellaneous expenses.

Line 20C) Non-reimbursable expense(s) These include costs such as tax penalties and bad debts.

Line 21C) Non-reimbursable expenses consist of: Description of non-reimbursable expenses.

Line 22C) Total Per Day Admin Cost Level 1 (AFC) The amount from the level 1 per diem rate that's appropriated for administrative costs.

Line 23C) Total Per Day Admin Cost Level 2 (AFC) The amount from the level 2 per diem rate that's appropriated for administrative costs.

Line 24C) Total Per Day Admin Cost (GAFC) The amount from the per diem rate that's appropriated for administrative costs. To calculate add total staffing expenses (35B - schedule B) and total non-staffing expenses (18C – schedule C). Next, calculate percentage of that total that is non-staffing expense and use this percent to subtract from the FY07 day rate of \$37.75 to arrive at admin per day.

Statement of Certification

The owner, partner or officer of the agency should read the paragraph regarding the accuracy of the report, list the owner, partner or officer's name and title on the designated lines, and then date it. If a person other than the owner, partner, or officer completes this report, the box with all of the preparer's required information must be completed in the same manner.

The Owner, Partner or Officer accepts the dating of the report and the submission of this data to the Division as certification under the pains and penalties of perjury